



NEBRASKA STATE RECORDS BOARD

MINUTES

Meeting of November 14, 2007

The meeting was called to order by Chairman John A. Gale at 9:00 A.M. on November 14, 2007, in Room 1507 of the State Capitol, Lincoln, Nebraska.

A Roll Call was taken. The following Board members were present:

John A. Gale, Secretary of State, State Records Administrator and Chairman;
Jerry Catlett, representing the Banking Industry;
John Curry, representing the Insurance Industry;
Brenda Decker, representing the Director of Administrative Services;
Leslie Donley, representing the Attorney General;
Mike Foley, State Auditor;
Tom Freimuth, representing the Legal Profession;
Lauren Hill, representing the Governor;
Timothy Loewenstein, Representing the General Public;
Shane Osborn, State Treasurer;
Laureen Riedesel, representing Libraries

Excused:

Mike Edgecombe, representing the Media

Chairman Gale announced that in accordance with the Nebraska Open Meetings Act, reproducible written materials to be discussed at the open meeting are located in the back of the meeting room. Also, a copy of the Nebraska Open Meetings Act is located in the back of the meeting room.

Chairman Gale announced public notice of the meeting was given by posting notice in the Lincoln Journal Star newspaper on October 12, 2007, the state's website calendar and a copy of the Notice and Affidavit of Publication by the printer is to be included in the Board records. A current copy of the agenda has been kept in the Secretary of State's office listing the date, time and location of the meeting.

Ms. Decker moved to adopt the agenda; motion seconded by Mr. Foley.

Voting For:	Catlett	Curry	Decker	Donley	Foley
	Freimuth	Gale	Hill	Loewenstein	Osborn
	Riedesel				

Voting Against: None

Absent: Edgecombe

The motion carried.

Chairman Gale indicated a correction be made in the August 1, 2007 meeting minutes. After review of the meeting recording and the Goals Subcommittee Report distributed to the Board, on page 2, regarding the discussion of the 'Contract Renewal Subcommittee', the word 'Renewal' should be changed to 'Review'. Mr. Loewenstein moved to approve the August 1, 2007 meeting minutes as amended; motion seconded by Ms. Riedesel.

Voting For:	Catlett	Curry	Decker	Donley	Foley
	Freimuth	Gale	Hill	Loewenstein	Osborn
	Riedesel				

Voting Against: None

Absent: Edgecombe

The motion carried.

Ms. Donley requested another change be made to the August 1, 2007 meeting minutes. The minutes showed Ms. Donley as both voting and absent on page 5 and page 6. She requested the minutes be changed to reflect her action as 'absent' on the votes for approval of the Cash Fund Balance Report, the hiring and placement of Brent Allen Hoffman as Nebraska.gov's General Manager and the approval of the Nebraska.gov Project Priority Report. Ms. Hill moved to approve the August 1, 2007 meeting minutes as amended; motion seconded by Ms. Donley.

Voting For:	Catlett	Curry	Decker	Donley	Foley
	Freimuth	Gale	Hill	Loewenstein	Osborn
	Riedesel				

Voting Against: None

Absent: Edgecombe

The motion carried.

Chairman Gale moved to agenda item 6, Public Comment. He asked the members of the audience if anyone wished to come forward to provide public comment on any of the agenda items. No audience member indicated a desire to come forward.

Chairman Gale reported the Interagency Agreement between the NE State Records Board and Saunders County for network management services has been signed. Mr. Brent Hoffman, General Manager of Nebraska.gov, explained the agreement.

Chairman Gale reported Addendum One to the Saunders County Agreement, Addendum One to the Athletic Commission Agreement, and Addendum One to the Motor Vehicle Industry Licensing Board have been signed. Mr. Brent Hoffman, General Manager of Nebraska.gov, explained the addendums.

Chairman Gale reported Board members John Curry and Mike Edgecombe have been reappointed to the State Records Board by Governor Heineman. Their terms will expire July 16, 2010.

Chairman Gale reported on the Goals Subcommittees. He thanked Mr. Freimuth for his work as Chair of the Performance Review Subcommittee and Treasurer Osborn for his work as the Chair of the Contract Review Subcommittee. After this meeting he requested work begin on the Finances Review Subcommittee chaired by Mr. Catlett and the Board Training Subcommittee chaired by Ms. Riedesel,

encouraging them to contact him and his staff for support. He requested the Board members pay particular attention to the Open Meetings Act when convening and reporting in their groups.

Ron Moravec, General Counsel, reminded the Board of the \$25,000 cap placed on each State or Local grant, and the \$200,000 cap per year placed on State and Local Agency grants overall. He explained a motion by the Board would be necessary to change the caps. A discussion was had about the history of grants awarded, the importance of technology-based grants, how the Board has previously turned down salary requests and requests for document scanning.

Cathy Danahy, Executive Director, introduced the Local grant application from the Hall County Register of Deeds for a Numerical Index Book Scanning Project in the amount of \$2,352.00. Mr. Curry indicated supplementing ongoing operations via salaries has historically been denied by this Board when considering approval of these grants. No testimony was given by the Register of Deed's office. After further discussion, Mr. Freimuth moved to deny the grant; seconded by Ms. Riedesel.

Voting For:	Catlett Freimuth Riedesel	Curry Gale	Decker Hill	Donley Loewenstein	Foley Osborn
Voting Against:	None				
Absent:	Edgecombe				

The motion carried.

Mr. Curry requested clarification on what criteria should be used to judge grant applications. The matter was discussed. Chairman Gale requested Ron Moravec and Cathy Danahy prepare a one page document outlining the criteria for judging applications and report back at the next Board meeting.

Ms. Danahy introduced the Local Agency Grant Application from the Douglas/Sarpy County Map Scanning Cooperative for the Historic Aerial and Map Preservation Project in the amount of \$25,000. Mr. Michael Schonlau, Douglas County GIS Coordinator, explained the project and answered questions. Mr. Curry suggested they break down what the money requested is for and return with a new application. Mr. Curry motioned to deny the grant; seconded by Mr. Lowenstein.

Voting For:	Catlett Gale	Curry Hill	Decker Loewenstein	Foley Osborn	Freimuth Riedesel
Voting Against:	Donley				
Absent:	Edgecombe				

The motion carried.

Chairman Gale called a recess at 10:30 A.M.

Chairman Gale reconvened the meeting at 10:40 A.M.

Ms. Danahy introduced the Local Agency Grant Application from the Adams County Register of Deeds for Digitizing of Adams County Records for \$25,000.00. Ms. Jan Johnson, Register of Deeds and Mr. Ron Kucera, IT Coordinator, explained the request. Ms. Donley moved to approve the grant; seconded by Mr. Curry. Discussion of the application took place. Mr. Catlett moved to amend the motion, to approve \$7,500.00 for the deed sifter upgrade through Terra Scan only and deny the additional \$17,500 request for converting microfilm to digital images; seconded by Mr. Freimuth.

Voting For: Catlett Curry Decker Foley Freimuth
 Gale Hill Loewenstein Osborn Riedesel

Voting Against: Donley

Absent: Edgecombe

The motion carried.

A vote was taken to approve the grant (\$7,500 for the deed sifter software) as amended.

Voting For: Catlett Curry Decker Foley Freimuth
 Gale Hill Loewenstein Osborn Riedesel

Voting Against: Donley

Absent: Edgecombe

The motion carried.

Ms. Danahy introduced the State Agency Grant Application from the State Treasurer for NebraskaSpending.com in the amount of \$50,000.00. Treasurer Shane Osborn explained the request and answered questions. Ms. Meagan Lyons, one of the project developers from Aijalon, testified. Mr. Freimuth motioned to deny the grant; seconded by Ms. Decker. Discussion resumed. Mr. Freimuth withdrew his original motion to deny the grant; agreed by the second, Ms. Decker. Mr. Foley said he was skeptical of the cost projection of \$50,000, in light of what we now know about other states and stated the Board needed to think about this some more and a lot more research needs to be done. He indicated that with more time, the Board would be able to make a better decision in January. Ms. Hill said she wanted to verify that the Department of Administrative Services can get the information needed for this program to the State Treasurer and at no cost. Chairman Gale said Mr. Catlett's Finances Review Subcommittee will be discussing whether or not to expand the lid (\$25,000) per grant and maybe by the January, 2008 meeting the lid restriction of \$25,000 can be discussed. After further discussion, Mr. Foley moved to table the consideration of the grant application until the January, 2008 Board meeting; seconded by Mr. Curry. He indicated that with more time, the Board would be able to make a better decision in January.

Voting For: Catlett Curry Decker Foley Freimuth
 Gale Hill Loewenstein Riedesel

Voting Against: Donley

Abstain: Osborn

Absent: Edgecombe

The motion carried

Ms. Danahy introduced the State Agency Grant Application from the Liquor Control Commission for the Online Excise Tax Reporting & Payment System in the amount of \$25,000.00. Mr. Hobie Rupe, Agency Director, explained the request and answered questions. Mr. Catlett motioned to approve the grant; seconded by Mr. Osborn.

Voting For: Catlett Curry Decker Donley Foley
 Freimuth Gale Hill Loewenstein Osborn
 Riedesel

Voting Against: None
 Absent: Edgecombe

The motion carried.

Mr. Moravec presented a report on the Nebraska.gov business relationship to the NE State Records Board; Agent/Employee – Independent Contractor and explained each item in the report. In his opinion, the existing contract the NSRB has with Nebraska Interactive, Inc. (NII) is one of Independent Contractor.

Chairman Gale explained that the change in the funding formula by the Board for the Department of Motor Vehicles (DMV) proposed addenda 7 and 8 concerned DMV. The convenience fee issue is what moved his office to prepare the report. VISA has said NII is a state agency. There has been no resolution to date. Treasurer Osborn said an Attorney General’s Opinion from 1998 states the State Treasurer is the only office who has authority to deposit money in a bank. He stated this funding method does not follow VISA’s guidelines.

Chairman Gale moved to items 10. b. and 10. c. Mr. Moravec presented the Department of Motor Vehicles Addenda 7 and 8. Ms. Beverly Neth, Director, Department of Motor Vehicles, explained the Addenda 7 and 8 regarding the message plate and drivers license reinstatement programs and the fee transaction function using dollar cost averaging. She indicated the addenda will not be signed as written. She said she believes she has statutory authority to move forward without the Board’s approval.

Mr. Foley asked what other states are doing. Mr. Curry indicated he would like to see another opinion. Chairman Gale again asked if Nebraska.gov was an Independent Contractor, and if so, exempt from the VISA contract. Treasurer Osborn said the VISA rules say a convenience fee may not be charged by a merchant and only be charged by the merchant that provides the goods and services to the cardholder. Convenience fees may not be charged by a third party.

Mr. Freimuth left the meeting at 1:15 P.M.

Brent Hoffman, General Manager, Nebraska.gov, testified. He said NII is an independent contractor of the State Records Board. Mr. Hoffman said the current funding methodology is used constantly in other NII states. Treasurer Osborn disagreed. He said charging tiered percentage fees are not allowed and prohibited under both contracts. Chairman Gale asked for a show of hands to place this on the January, 2008 agenda. A majority show of hands was confirmed.

Chairman Gale called a recess at 1:35 P.M.

Chairman Gale reconvened the meeting at 2:35 P.M. Mr. Freimuth returned to the meeting.

Mr. Moravec resumed the discussion of the Department of Motor Vehicles, Nebraska Interactive, LLC, and the NE State Records Board Agreement for the bulk sale of batched DMV records. He indicated a change was made on page 8 of the agreement by Beverly Neth and Brent Hoffman: item X: Termination, number 1. Item 1. originally read “NSRB’s failure to require an indemnity agreement with NI” was changed to “NSRB’s failure to require an indemnification and /or hold harmless provision with NI”. Ms. Neth answered questions. Mr. Loewenstein moved to approve the agreement; seconded by Ms. Hill.

Voting For: Catlett Curry Decker Donley Foley
 Freimuth Gale Hill Loewenstein Osborn
 Riedesel

Voting Against: None

Absent: Edgecombe

The motion carried.

Mr. Moravec presented the Grant Status Report and the Reinvested Revenue Report. He presented the Cash Fund Balance report. Mr. Catlett moved to approve the Cash Fund Balance Report; seconded by Mr. Freimuth.

Voting For:	Catlett	Curry	Decker	Donley	Foley
	Freimuth	Gale	Hill	Loewenstein	Osborn
	Riedesel				

Voting Against: None

Absent: Edgecombe

The motion carried.

Brent Hoffman, General Manager, Nebraska.gov, presented an executive summary of the General Manager's Report. He also presented the Project Priority Report for approval. Ms. Donley moved to approve the Project Priority Report; seconded by Ms. Riedesel.

Voting For:	Catlett	Curry	Decker	Donley	Foley
	Freimuth	Gale	Hill	Loewenstein	Osborn
	Riedesel				

Voting Against: None

Absent: Edgecombe

The motion carried

Mr. Hoffman presented the Business Plan for 2008. He also presented a list of on-line services by Nebraska.gov and a Project Partnership folder which will be presented to all customers.

Mr. Bidrowski gave the Independent Contractor's Report.

Chairman Gale opened discussion on the decision to extend or give notice to cancel the network contract with Nebraska.gov. The discussion included the Nebraska.gov customer satisfaction survey prepared by Mr. Freimuth, Chair of the Contract Performance Subcommittee and a contract review report prepared by Mr. Osborn, Chair of the Contract Review Subcommittee. Mr. Moravec explained the following timeline for the contract renewal: The current contract is set to expire on January 31, 2009. If the Board were to approve an extension of the current contract, it would commence on February 1, 2009 and terminate on January 31, 2010. The Board discussed the pros and cons of extending the contract for one year or giving notice to terminate in one year. Mr. Curry moved to extend the contract by one year; seconded by Ms. Donley. After further discussion, a vote was taken.

Voting For:	Catlett	Curry	Decker	Donley	Freimuth
	Gale	Hill	Loewenstein	Riedesel	

Voting Against: Foley Osborn

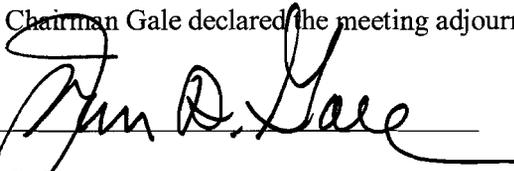
Absent: Edgecombe

The motion carried

The date of the next State Records Board meeting will be Wednesday, January 23, 2007 at 9:00 A.M. at the Executive Building, Lower Level, located at 501 South 14th Street, Lincoln, NE.

Mr. Curry moved to adjourn the meeting.

Chairman Gale declared the meeting adjourned at 4:35 PM.



John A. Gale
Chairman
State Records Board